To: Mayor and Members of Council

From: Jeff Bray
Manager, Parks and Open Spaces/Recreation Facilities

Date: November 29, 2018

Subject: Twin Pad Arena Update and Public Consultation

Recommendations:

It is recommended that:

1. Public engagement meetings be scheduled in 2019 to assist Council in their decision-making process of a potential future investment in a twin pad arena.

Background

The June 22, 2015 Arena Options Report to Council, (Attachment A), and the May 28, 2018 Twin Pad Arena, Community of Chatham Report to Council (Attachment B) provided in detail the pros, cons, and costs of various arena sizes.

At the May 29, 2018 Council meeting, the following motion was approved:

“That

1. Administration be directed to develop plans to build a twin pad arena in the community of Chatham to replace Memorial Arena and William K. Erickson Arena.
2. Administration complete a site analysis and provide the next term of Council with a site recommendation.
3. Concurrent with the site analysis, administration develop specifications for the twin pad arena to be presented to the next term of Council.
4. Administration present a financing plan to the next term of Council, after exploration of funding options with senior levels of government, to address the costs associated with land procurement, site remediation, bidding, design, and construction of the arena. Project approval is dependent on funding from senior levels of government.”
At that meeting, the Chief Administrative Officer stated that a report will be coming back to Council regarding project comparative of a 4,200-seat event centre versus a 2,200-seat community facility.

Infrastructure and Engineering Services has received significant feedback from the public as to the need and long term viability of a twin pad arena. Comments have ranged from strong support of a twin pad arena to those requesting consideration for alternative solutions and cost minimization. To ensure a transparent public process and to assist Council in their decision making, Administration is proposing Public Information Centres to be held on the following dates:

1. Public review of the facility options that will include footprint, seating capacity, design, costs, funding, ideal location and consideration for alternative solutions
   Date: February 2019 – a definitive date to be confirmed

2. Recap of PIC 1 results and provision to provide additional information
   Date: April 2019 – a definitive date to be confirmed

Following the second PIC, a report will be developed for Council that summarizes the comments and suggestions of the public. Timing of the report will be June 2019.

**Areas of Strategic Focus and Critical Success Factors**

The recommendations in this report support the following areas of strategic focus:

- ☐ Economic Prosperity:
  Chatham-Kent is an innovative and thriving community with a diversified economy

- ☑ A Healthy and Safe Community:
  Chatham-Kent is a healthy and safe community with sustainable population growth

- ☐ People and Culture:
  Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

- ☐ Environmental Sustainability:
  Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- ☐ Financial Sustainability:
  The Corporation of the Municipality of Chatham-Kent is financially sustainable

- ☑ Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

☐ Has the potential to support all areas of strategic focus & critical success factors
☐ Neutral issues (does not support negatively or positively)

**Financial Implications**

There are no financial implications resulting from the recommendations.

Prepared by:

____________________________
Jeff Bray
Manager, Parks and Open Spaces/Recreation Facilities

Reviewed by:

________________________________
Thomas Kelly, P.Eng., MBA
General Manager
Infrastructure and Engineering Services

Appendix B – Twin Pad Arena, Community of Chatham: Report to Council
Attachment A

Municipality of Chatham-Kent
Community Development
Community Services

To: Mayor and Members of Council
From: Evelyn Bish, Director, Community Services
Scott Mailing, Manager, Recreation Facilities
Jeff Bray, Manager, Parks, Cemeteries and Horticulture

Date: June 16, 2015
Subject: Arena Options

Recommendations

It is recommended that:

1. An Ontario Hockey League arena not be pursued for the reasons listed in this report.

2. The expenditure of the $100,000 Hockeyville proceeds be decided in the next Arena report to Council.

3. Council advise administration as to information required for the next Arena report to Council, in order for Council to make an informed decision on other arena options.

Background

This report presents information on an Ontario Hockey League (OHL) size arena; the 2010 Parks and Recreation Master Plan’s recommendation to build a Twin Pad arena; and Councillor Myer’s Notice of Motion regarding upgrades to Memorial Arena. It also presents information on a potential new Multiplex facility (i.e. indoor and outdoor sports complex). All of these options are discussed in this report, as the decisions could be interrelated.

The Arenas section of the 2010 Parks and Recreation Master Plan is found in Attachment A, and summarized as follows:

- “To develop a new twin pad arena facility that will replace Erickson and Memorial Arenas that could have the following potential features:
  
  o Two ice pads of 85’ x 200’ each
  
    one arena – seating for 200
    one arena – seating for 2,000
  
    Both with appropriate dressing rooms, heated viewing areas, etc.
Incorporated design parameters that would allow for seating to be increased to accommodate 4,000 to 6,000 visitors for a future primary tenant and / or consistent larger seating event demand

- Develop within the arena a tournament / show operations room, a meeting room and related amenities
- Develop a year round indoor walking / running track
- Site ability to accommodate two additional ice pads if future ice demand and sport tourism activities warrant and a centralized arena venue is preferred

- To attach a 10,000 ft\(^2\) to 15,000\(^2\) multi-use recreation space to the twin pad arena
- Consider incorporating outdoor facilities such as soccer, baseball and other sports fields. A centralized recreation destination on a major travel route that would also have linkages to community trails, parks and open space and related features, along with commercial services, gains operating and capital economies of scale.

- To initiate a Business Plan and Site Selection analysis for the proposed twin pad arena and multi-use recreation space, which includes:
  - Twin pad arena features related to number of dressing rooms and seating
  - Capital and operating cost requirements, identifying potential government funding sources and community fundraising
  - The identification of a preferred 18 to 20 hectares (45 to 50 acres) site location if the outdoor sports fields are included

- That a Community Project Steering Committee be formed
- To undertake the re-adaptive development of Erickson Arena as a potential indoor active sports venue for indoor soccer, lacrosse, roller hockey and related activities provides sound rationale to undertake a significant assessment and investigation into the development of a comprehensive, integrated recreation and sports complex to better serve the broad array of activity interests of Chatham-Kent residents."

The Master Plan also states that:
“In terms of overall provisioning, there is one arena per 10,800 residents in Chatham-Kent, placing Chatham-Kent in the middle of service provision in comparison to surrounding municipalities, which are typically in the 8,000 to 15,000 range…Chatham-Kent has sufficient ice capacity to reasonably serve existing needs and some limited increase in future needs.”

The Master Plan concluded that no more than three arenas were required in the community of Chatham. Staff believe this level of need remains accurate.
Decision # 1: Ontario Hockey League Arena

i. Discussion
   For several years, there have been discussions on attracting / accepting an OHL team to Chatham-Kent. Teams that have shown interest to date are the Hunter brothers (they proposed a franchise in 1990, but their offer was not accepted), the Ice Dogs, the Otters and the Whalers. It is advisable at this time for Council to decide on whether or not to pursue an OHL size arena.

   The typical average size of an OHL arena has a 4,200 - 5,500 seating capacity. OHL arenas either stand alone or have other facilities attached such as another arena, library, recreational facilities, etc.

   The typical OHL-based amenities include suites, restaurants, bars, high-tech lighting and scoreboards / jumbotrons and multi-functional floors.

   Chatham-Kent would be included in the Tier One Junior A Level League, of which there are 20 teams. Competition would be against teams such as London, Sarnia, Windsor, Saginaw, Flint, etc.

   There are various opinions as to Chatham-Kent’s potential to attract and successfully support a team. Some believe Chatham-Kent to be an ideal location, as it is central to Windsor, Sarnia and London. Others believe a Chatham-Kent team would oversaturate the market.

   A new facility would need to be built and paid for by the Municipality in order to attract an OHL team. It is assumed that once a facility is built, it would be fairly easy to attract a team, as relocation to other municipalities is fairly common (e.g. due to lack of fan support, problems with leases, unsuitable facility, lack of luxury suites, etc.). If a team is looking for a new location, and if the municipality does not have a suitable arena, the team will expect one to be built according to its standards.

   Typically, lease agreement negotiations focus on merchandising, alcohol pouring rights, leasing of suites, advertising, etc.

   OHL teams generate operating revenues through ticket sales, sponsorships, suite leases, pouring rights, concessions, etc. Operating expenses include costs associated with team operations (i.e. coaching and player related costs, arena rentals, travel, billeting of players, etc.); team overhead and administrative expenses.

   The financial success of individual teams is generally concluded to be a function of the local market (i.e. size, characteristics, income levels, hockey history, etc.), the quality of the on-ice product (i.e. team success in the standings) and the nature and size of the arena the team plays within.

ii. Pros of Securing an OHL Team
   - Chatham-Kent is a proud hockey community – securing an OHL franchise would provide a higher level of hockey, which could create enhanced sport tourism and leisure entertainment for the community and visitors
• If built in the right location, a new OHL arena would be an economic driver for “spin off” businesses

• Potential attraction of new residents

• Several other franchises within a drivable distance would create natural rivalries

• Chatham-Kent’s private sector has expressed interest in providing support through advertising, sponsorships and leasing of suites

iii. Cons of Securing an OHL Team

• High capital cost requirements - i.e. construction and land acquisition for a large parcel of land (size dependent on associated amenities) plus possible site remediation

• The provincial and the federal government infrastructure programs generally do not consider funding OHL arena construction as a priority. The only exception may be an extremely large scale private / public partnership project

• Experts stipulate a downtown facility is important to ensure success, but purchasing enough property in downtown Chatham would be difficult to acquire and would add additional cost

• Additional cost would be required to upgrade Memorial Arena to host the OHL team until the new arena is built

• Depending on the negotiated agreement, a large portion of the risk could be assumed by the Municipality

• Relocation of franchises has frequently occurred due to offers of more favourable leases and better facilities in other communities

• To make the facility viable, the Municipality must generate additional revenue through non-hockey events such as trade shows and concerts (i.e. 30-35 annually), of which would present competition for St. Clair College Capitol Theatre, the Chatham-Kent John D. Bradley Convention Centre, and other venues when trying to attract similar events.

• Additional competition from the Windsor Family Credit Union Centre and Caesars in Windsor and Budweiser Gardens in London could also affect attracting larger non-hockey events

• Chatham’s Jr. “B” team would be affected – based on the experiences of similar-sized municipalities; the community cannot support both an OHL team and a Jr. “B” team

• An OHL arena would be an economic generator, but there are questions as to what extent, and according to the 2011 Cambridge Feasibility Study by IBI Ltd., due to poor global economic conditions, changes in consumer preferences, the
growing choice of recreation and entertainment activities and lower volumes of
tourism, there has been a decline in attendance and spending at sports and
entertainment facilities in Ontario

iv. Estimated Capital Costs

According to various studies, construction estimates for a 5,000 seat arena vary from
$8,500 - $13,500 per seat depending on the amenities. This would equate to a capital
cost of $42.5M – $67.5M. These prices do not include land purchase and site
remediation (if required).

Financing costs for a $42.5M facility debentured over 20 years at 3.5% would raise
the projected cost to $60M. If Chatham-Kent pays the entire cost, this would raise
taxes by $3M per year for 20 years.

v. Estimated Operating Costs

A survey of municipal arenas in Windsor, Sarnia, Owen Sound, Kitchener, Guelph,
Mississauga, and Kingston indicates that these facilities require a large annual
subsidy.

Chatham-Kent’s projected annual subsidy is summarized as follows:

- 80 – 82 large events are required each year to break even
- The OHL team contributes 36 home dates including exhibition games
- Chatham-Kent could potentially attract an additional 10 – 12 events per year
- This would create a shortfall of approx. 33 events per year, which equates to
  an annual operating subsidy of $600K - $1M (i.e. 0.43% - 0.72% annual
  increase in taxes)

vi. OHL Feasibility Studies - Survey of Other Municipalities

For a more detailed analysis, staff reviewed four OHL Arena Feasibility Studies
commissioned by other municipalities. These studies included analyses of various
options, with projected capital and operating cost requirements. A summary is
included in Attachment B.

OHL Arena Recommendation

It is assumed that a Feasibility Study for Chatham-Kent would produce an assessment
similar to the studies sited. However, a Feasibility Study for Chatham-Kent is not
recommended. Based on factors such as lack of a preferred downtown location, high
capital cost, no federal or provincial funding contributions, potential municipal risks
assumed with a lease agreement, large annual deficits, and the loss of a 65 year Jr. B
hockey presence, it is recommended that an OHL arena not be pursued for
Chatham-Kent.
Decision #2 – Build New Arena Versus Upgrading Existing

Option One: Build New Twin Pad Arena Facility

i. Discussion

Referring to the Parks and Recreation Master Plan, this option involves building a new twin pad arena, retaining Thames Campus Arena, decommissioning Memorial Arena and repurposing Erickson Arena. This maintains the existing required level of service of three ice pads.

The Master Plan calls for two ice pads of 85’ x 200’ each with seating for 2,000 and 200. Typical twin pad amenities include a shared ice plant, shared equipment, consolidated parking, sports amenities (e.g. walking track and fitness rooms), entertainment capacity, large concession area, etc. There are other municipal examples such as the Town of Lakeshore whereby its new Multi-Use Recreation Facility contained a new three-pad arena, indoor aquatic complex (under construction), multipurpose programming space, walking track and Library branch.

The Lakeshore Feasibility study, which is found at: http://www.lakeshore.ca/media/files/Lakeshore%20MURF%20Feasibility%20Study_July%207%202011_v2.pdf was used as the basis for a $57 million dollar multiplex proposal that led to provincial and federal grants of $17.3 million apiece, thus reducing the local cost.

ii. Pros of Building a New Facility

• Chatham-Kent would attain a brand new, fully accessible facility with energy efficient technology

• Ability to host and manage larger tournaments on one site for sports tourism

• Attraction of newcomers, especially young professionals

• Economic spin offs due to increased visitors from tournaments and special events

• Supports the promotion of healthy lifestyles

• Consolidated staff resulting in operational efficiencies

• Reduced operating cost due to shared mechanical equipment and ice plant; energy efficiencies

• Improved program operations for community organizations and service providers

iii. Cons of Building a New Facility

• There is presently not a “shovel-ready” site identified

• The capital cost of construction, land acquisition and possible site remediation
iv. Estimated Capital Costs

The Master Plan recommends 40 - 50 acres in order to include other indoor and outdoor sports amenities, parking, etc. At present, there is no available municipal land to accommodate the size of this development. The Tweedsmuir Avenue block could be considered for a smaller scale development. Private property is available but would need to be purchased and potentially re-zoned.

A twin pad arena of the size identified by the Parks and Recreation Master Plan would cost approximately $18 - 25 million, not including land purchase, architectural design and contract administration fees, or potential revenues such as grants and fundraising.

Many municipalities have been able to benefit from Federal and Provincial grants. These grants are usually dependent upon having a shovel-ready property.

v. Estimated Operating Costs

Operating costs vary depending on individual facility amenities. Staff contacted two municipalities whose operating costs range from $225,000 - $400,000 per year.

Option Two: Upgrade Memorial Arena

i. Discussion

This option involves upgrading Memorial Arena, and keeping Erickson and Thames Campus Arena as ice pads.

Memorial Arena, located at 80 Tweedsmuir Avenue West in Chatham, was constructed as a cement block building in the fall of 1949. The arena has a single ice pad surface, which measures 180’ x 85’. It has a seating capacity of 2,200 and is wheelchair accessible via an existing service lift that can be utilized if needed on the west side of the building. The boardroom/meeting room is situated on the upper floor directly above the east side entrance to the arena. The boardroom is equipped with a kitchenette/bar and is available for meetings and private parties. This room is 15’ x 40’ in size and has a capacity for 45 people.

The facility is very well utilized by numerous hockey groups (youth, adult, Junior B), figure skating organizations, membership skates, public skating, walking club, etc. The ice season operates until the end of March/April annually. In the spring and summer, the arena floor becomes available for special events such as trade shows, fairs and team sports (ball hockey and inline skating). The floor capacity for such special events is approximately 800 people.

Various upgrades have occurred over the years. The arena floor was replaced prior to 1980. In 1995, the exterior blocks were clad with metal clad siding.
Other Memorial Arena upgrades completed include the following:

<table>
<thead>
<tr>
<th>Year</th>
<th>Project</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>Header piping and brine line</td>
<td>$25,000</td>
</tr>
<tr>
<td>2000</td>
<td>Condenser replacement</td>
<td>$30,000</td>
</tr>
<tr>
<td>2004</td>
<td>Painting of front lobby</td>
<td>$15,000</td>
</tr>
<tr>
<td>2005</td>
<td>Patch pavement rear parking lot</td>
<td>$4,200</td>
</tr>
<tr>
<td>2006</td>
<td>Low emissivity ceiling (low e)</td>
<td>$25,000</td>
</tr>
<tr>
<td>2007</td>
<td>Protective netting</td>
<td>$5,000</td>
</tr>
<tr>
<td></td>
<td>Dasher boards</td>
<td>$180,000</td>
</tr>
<tr>
<td></td>
<td>Replacement of furnace</td>
<td>$4,375</td>
</tr>
<tr>
<td>2008</td>
<td>Arena lighting</td>
<td>$30,000</td>
</tr>
<tr>
<td></td>
<td>Brine pump motor</td>
<td>$5,000</td>
</tr>
<tr>
<td>2009</td>
<td>Fire wall - mandated</td>
<td>$30,000</td>
</tr>
<tr>
<td>2011</td>
<td>Mandatory structural inspection</td>
<td>$3,000</td>
</tr>
<tr>
<td></td>
<td>Washroom fixture upgrades</td>
<td>$12,000</td>
</tr>
<tr>
<td></td>
<td>Rubber flooring in washrooms</td>
<td>$5,000</td>
</tr>
<tr>
<td>2012</td>
<td>Replacement of T12 lighting to T8s</td>
<td>$10,000</td>
</tr>
<tr>
<td>2013</td>
<td>Replacement of T12 lighting to T8s</td>
<td>$17,305</td>
</tr>
<tr>
<td>2013</td>
<td>Replacement of exterior lights to LED</td>
<td>$5,105</td>
</tr>
<tr>
<td>2015</td>
<td>Upgrade to the Kinsmen Auditorium parking lot</td>
<td>$130,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$535,985</strong></td>
</tr>
</tbody>
</table>

Interior painting of bleachers and dressing rooms, plus health and safety improvements, has been ongoing over the years.

Facility users, particularly hosts and visitors of large tournaments throughout the season, have frequently voiced concerns in the past over the existing condition of Memorial Arena and have offered ideas and suggestions as to what improvements should be made to meet their needs and ultimately improve usage. These suggestions include more dressing rooms, upgrading existing dressing rooms, more functional canteen, better accessible washrooms, a better elevator, and chaired seating in the arena bowl. A conceptual plan for Memorial Arena is found in Attachment C.

The following chart describes potential upgrades to Memorial Arena based on staff’s ideas and user’s suggestions:

### Memorial Arena Upgrade - Description

#### Exterior Site Work

The site would require work such as relocation of the water main, hydrant, and light standards; driveway reconstruction; new concrete sidewalk; new catch basins; west side asphalt.

#### Phase I - New Building Addition to the West and East Exteriors
<table>
<thead>
<tr>
<th>New Dressing Rooms – West Side</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memorial Arena currently has four small dressing rooms located on the west side of the building. This proposal involves the addition of five new dressing rooms (one being a female dressing room) on the west side adjacent to the existing dressing rooms. The existing dressing rooms would be addressed in Phase II.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Washrooms – East Side</th>
</tr>
</thead>
<tbody>
<tr>
<td>The existing washroom facilities are in extremely poor condition, do not meet the needs of the users, and are not compliant with current accessibility regulations. Due to the size and location of these washrooms, there is no additional space for upgrades. A new addition on the east side would include fully accessible washrooms and would extend from the Maroons Dressing Room.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expanded Front Lobby – East Side</th>
</tr>
</thead>
<tbody>
<tr>
<td>The existing front lobby is very small, and with the ticket booth located in this area, congestion is an issue during tournaments and Jr. Maroons’ games. A new addition would make the front lobby larger, and would expand the existing municipal and Jr. Maroons’ offices. This addition would extend from the new washrooms on the east side.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Elevator</th>
</tr>
</thead>
<tbody>
<tr>
<td>The existing elevator is only a service lift and requires a key to operate. This proposal includes installing a new full service elevator that would meet all accessibility codes.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase II - Interior Renovations within Existing Arena</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remodel and Consolidate Dressing Rooms – West Side</td>
</tr>
<tr>
<td>The four existing dressing rooms are extremely small. Due to their location and the location of the support beams, the existing hallway is extremely narrow making it difficult for more than one person at a time to enter or exit. The proposal is to consolidate the four dressing rooms into two larger dressing rooms. This would also allow a widened hallway for easy entry and egress. A new female dressing room would also be added.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Referee Room – East Side</th>
</tr>
</thead>
<tbody>
<tr>
<td>The two existing washrooms would be demolished and a new referee’s room would be constructed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Canteen Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>The existing canteen is located at the front, on the north side of the building. This location is “out of the way” from the main lobby. The canteen is utilized when crowds attend events at the arena. The canteen area itself is extremely narrow making it difficult for two or three people to work in the same area. There are steel support beams that require protective covering as they are only 5 ft. in height at the highest part.</td>
</tr>
</tbody>
</table>
A new canteen would be constructed in the lobby where the existing coaches’ office and men’s washrooms are located. This would increase the size of the canteen and be located closer to the entrance and washrooms.

The former canteen area would be made available to the “Hall of Fame” to display its numerous sports memorabilia.

**Phase III – Seats**

The existing seats in the arena bowl are wooden plank style. These are original to the building. The seats would be replaced with a new plastic armchair type that would be more comfortable for users, easier to maintain and more visually pleasing. The ceiling girders would be sandblasted and painted.

**Phase IV - Final Work**

Once the work is completed, the roof would be replaced and the parking lot resurfaced.

Option Two was created by Recreation Facilities and Engineering staff for the purpose of providing concepts and estimates. The phased-in approach would be less disruptive to users, as the existing facilities could continue to be utilized until the new construction is complete.

Several municipalities such as Stratford and Galt have had successes with upgrading their existing arenas. Further details could be provided if Council wishes.

**ii. Pros of Upgrading Memorial Arena**

- Relatively lower capital and operating costs than the other options
- Retains a historic venue

**iii. Cons of Upgrading Memorial Arena**

- Lose ability to attain operating and energy efficiencies
- Lost ability to host larger tournaments for sports tourism

**iv. Estimated Capital Costs to Upgrade Memorial Arena**

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Construction Work</td>
<td>394,000</td>
</tr>
<tr>
<td>Phase I</td>
<td>1,565,000</td>
</tr>
<tr>
<td>Phase II</td>
<td>724,500</td>
</tr>
<tr>
<td>Phase III</td>
<td>500,000</td>
</tr>
<tr>
<td>Phase IV</td>
<td>360,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>3,543,500</td>
</tr>
<tr>
<td>Engineering / Architect / Contingency (35%)</td>
<td>1,219,475</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,762,975</td>
</tr>
</tbody>
</table>

This total does not include Project Management expenses.

**v. Estimated Operating Costs to Upgrade Memorial Arena**
Memorial Arena’s approximate annual operating costs are $160,000. It is difficult to determine the additional operating costs from the new construction without proper study. Energy efficiencies would somewhat offset the costs.
Kraft Hockeyville Proceeds Recommendation

Thanks to avid members of our community, Chatham-Kent received $100,000 from the Kraft Hockeyville competition. Council could either spend the proceeds on items that could eventually be moved to another facility (e.g. fully automatic accessible front doors) or wait until a decision is made on the arena. In the latter case, the dollars could be dedicated towards one of the dressing rooms, which could be named accordingly. It is recommended that Council decide on this expenditure when the next Arena report to Council is discussed.

Option Three: Combination of Option One and Two

If Council wishes, an “Option Three” could be considered that entails upgrading Memorial Arena now, plus set aside dollars each year for several years to build a new arena in the future. The Chief Financial Officer will be bringing forward a report this fall on a Long-term Strategic Financial Plan, including a strategy for Council to set aside funding for strategic initiatives.

Other Chatham-Kent Recreation Facilities

In order to bring other Chatham-Kent recreation facilities into the discussion, the following four points are noted:

1. Other Chatham-Kent Arenas

The Arenas and Canteens Service Review was approved by Council in January, 2015. Council will recall the report included the following statement regarding the other seven Chatham-Kent arenas:

“While tax subsidization continues to grow, effort has been and is being made to offset this through staff reductions and energy conservation initiatives at all ten arenas. Demographic shifts and financial restraints of residents have demonstrated the following: less interest in participating in sports, cost, time commitment, safety concerns, aging demographics, decline in youth population, and the increasing diversity of residents are changing some leisure preferences (e.g. more interest in sports like soccer). It is assumed that for these reasons, this trend will continue and there will be a need to examine potential arena closures going forward, unless the facilities are “re-purposed” to meet the needs of the community.”

As these arenas were discussed in the Arena Service Review, they do not fall under the scope of this report.

2. Other Chatham-Kent Recreation Facilities

The Parks and Recreation Master Plan (Section 4.6) identified the following:

- Chatham-Kent invest in a new regional outdoor sports venue, adding to the existing soccer and outdoor field capacity, with four – five full size soccer fields on a 37 acre site (with optional consideration for baseball, football or other outdoor field use); one of the fields to be stadium-level with irrigation, lighting, controlled entry bleacher seating and possibly developed with artificial turf;
supporting features including park buffering, field house, washrooms, change rooms, concessions, community space, and parking

- Continue to maintain baseball /soccer fields where needed
- Redevelop baseball fields for soccer use where needed
- Add two new multi-use courts in each of Wallaceburg, North, South & West Kent
- Redevelop existing basketball courts into multi-use courts over time

3. Proposed Chatham-Kent Multiplex Facility

A group of citizens is presently working on a proposal for Council’s consideration. Their proposal includes a year-round indoor multi-sport facility and outdoor sports fields. Donors have come forward who are interested in contributing to the project. More details will be forthcoming as they become available.

These, and any other initiatives requested, will be investigated, and if feasible, brought forward to Council through the Capital and/or Lifecycle Budgets at the appropriate time.

4. Redevelopment of the Tweedsmuir Avenue Block

Once it has been determined what will transpire for Memorial Arena, further discussions will occur regarding further development of the site. Parking requirements will need to be determined according to existing and potential future usage statistics. This would determine how much remaining area would be available for additional sport field development. Both Chatham Minor Baseball and Chatham Youth Soccer Associations have expressed interest in utilizing Kiwanis field.

Discussions with the two user groups plus Turner Park (the ball diamond west of the arena) patrons, a study of current usage, and an analysis of future trends would need to be conducted to design a redevelopment concept plan and high-level costing for the area. The concept plan would also include natural enhancements such as trees and berms.

Next Steps

The most prudent next step would be to hire a consultant to do an in-depth Feasibility Study / Business Case on the various options, including a recommendation on the best option to pursue. There are several consultants with the expertise to conduct a project of this nature.

A Feasibility Study Steering Committee, comprised of users, members of the public and staff, would be formed to work with the consultant.

The Terms of Reference would be critical to attain the appropriate information required. The Lakeshore Study is one example of a template to follow. In general, the Study components would include the following:

- Needs Analysis
- Facility development and high-level design requirements (amenities and associated costs)
• Identification of locations, including land purchase and site remediation costs (for Option One)
• Projected capital costs
• Structural Integrity (for Option Two)
• Potential grants, donations, partnerships and community fundraising potential
• Projected net operating costs
• Public Consultations
• Meet local MPP’s and MP’s to discuss potential grants, and to be prepared for grant program announcements as funds become available
• Etc.

The Study would cost between $35,000 and $55,000 depending on the scope of work, and paid for through the Arena Lifecycle Budget. It should be noted that a solid Business Case is required for any grant submission.

If Council decides to move directly to one of the three options, a consultant would still need to be hired to complete next steps for that option.

“Next Steps” Recommendation
Council advise administration as to information required for the next Arena report to Council, in order for Council to make an informed decision on other arena options.

The timing of the next report will be dependent upon the amount and type of information requested from Council.

Council Directions

The recommendations in this report support the following Council Directions:

☑ Jobs: Everyone in Chatham-Kent who wants to work is able to work in meaningful employment

☑ People: Chatham-Kent is a welcoming community where people choose to live, learn, work, and play

☑ Health: Chatham-Kent is a healthy, active, safe, accessible community within a healthy natural and built environment

☐ Financial Sustainability: The Corporation of the Municipality of Chatham-Kent is financially sustainable
☐ Has the potential to support all Council Directions
☐ Neutral issues (does not support negatively or positively)

Consultation

Various people reviewed the report from their expertise perspective:
• Manager, Recreation Programs, Community Services
• Recreation Facilities Supervisors – Chatham District; East Kent District
• Chief Financial Officer/Treasurer, Finance, Budget & Information Technology Services
• Dave Torrie, former owner of the Chatham Jr. Maroons and General Manager of the OHL’s Sault Ste. Marie Greyhounds provided comments on the report summarized as follows:
  ➢ Report has done a thorough job researching pros and cons of each option
  ➢ Chatham-Kent would support an OHL Team initially but shares concerns about financial long-term sustainability
  ➢ Shares concerns about Chatham-Kent’s ability to attract enough corporate sponsorship to make this a viable option
• James Snyder, Community Member provided general research and consolidation of multiple multiplex/recreation projects/business plans etc. for review and comparison by municipal staff

The Engineering and Transportation divisions were consulted and provided input for the proposed design and infrastructure costing for Memorial Arena based on high-level conceptual plans. It should be stressed that refined designs have not been initiated nor completed.

Financial Implications

A summary of the Capital and Operating Costs are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>OHL Size Arena</th>
<th>Twin Pad Arena</th>
<th>Memorial Arena</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Costs</td>
<td>$42.5M - $67.5M</td>
<td>$18M - $25M</td>
<td>$4.8M</td>
</tr>
<tr>
<td>(not including land costs)</td>
<td></td>
<td>(not including land costs)</td>
<td></td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$600,000 - $1M</td>
<td>$225,000 - $400,000</td>
<td>Minimum $160,000</td>
</tr>
</tbody>
</table>

Should Council decide to pursue an Arena Feasibility Study, the Study would cost between $35,000 and $55,000 depending on the scope of work, and paid for through the Arena Lifecycle Budget.

Prepared by: Evelyn Bish, Director Community Services
Reviewed by: Bob Crawford, General Manager Community Development

Attachments: A – Arenas section of the 2010 Parks and Recreation Master Plan
B – Examples of OHL Arena Feasibility Studies
C – Memorial Arena Conceptual Plan

c. Ann Robinson, Manager, Recreation Programs, Community Services
   Brian Bennett and Darren Goyette, Recreation Facilities Supervisors, Community Services
   Mike Turner, Chief Financial Officer/Treasurer, Finance, Budget & Information Technology Services
   Dave Torrie, former owner of the Chatham Jr. Maroons and General Manager of the OHL’s Sault Ste. Marie Greyhounds
James Snyder, Community Member

P:\RTC\Community Services\2015\Reports\Rec Fac\Arena Options June 22, 2015.docx
To: Mayor and Members of Council

From: Don Shropshire
Chief Administrative Officer

Date: March 14, 2018

Subject: Twin Pad Arena, Community of Chatham

Recommendations

It is recommended that:

1. Development of a twin pad arena be pursued in the Community of Chatham to replace Memorial Arena and William K. Erickson Arena. Administration is seeking direction from Council if they support a 4,200 seat Event Centre or a 2,200 seat Community Facility.

2. Administration complete a site analysis and provide Council with a site recommendation.

3. Concurrent with the site analysis, administration develop specifications for the twin pad arena to be presented to Council.

4. Administration present a financing plan to Council, after exploration of funding options with senior levels of government, to address the costs associated with land procurement, site remediation, bidding, design, and construction of the arena.

Background

The 2010 Parks and Recreation Master Plan recommended the development of a new 2,200-seat twin pad arena that will replace Memorial Arena and William K. Erickson Arena in the Community of Chatham. Facility design parameters would allow seating to be increased to accommodate 4,000 to 6,000 visitors for a future primary tenant or to meet demand for larger events. If outdoor sport fields are to be incorporated at the arena site, the Plan recommended a total parcel size of 45-50 acres.

On June 22, 2015, a motion failed recommending Council not pursue an arena size suitable for an Ontario Hockey League team.
On January 28, 2016, Council approved minimal upgrades only to Memorial Arena, based on findings from the International Coliseums Company.

On January, 29, 2018, administration informed Council of the updated capital and operating costs of twin pad arenas and stated administration will return to Council within the next few months with a recommendation on a twin pad arena size.

On January 29, 2018, administration also informed Council of future lifecycle expenditures expected at all Chatham-Kent arenas. The report concluded that arena closures would not be recommended unless the demand for a facility declines to the point where it is unsustainable to operate, or major repairs are required. At that point, staff will bring a report to Council to recommend either repurposing the facility or closure.

**Comments**

Attachment A provides a direct comparison between project considerations for a 4,200-seat Event Centre and a 2,200-seat Community Facility.

Council should be aware that other municipalities pursuing similar facilities have retained the professional services of a consultant to lead or assist with the project recommendations discussed in this report.

**Site Selection and Criteria**

The site selected will impact the cost, timeline, and design of the facility. Sites may require extensive servicing, brownfield mitigation, zoning changes, or property may need to be acquired by the Municipality. It is for these reasons that a site should be determined prior to the initiation of any competitive bid process.

The arena, regardless of size, will require approximately 9-10 acres for the building and public parking. An initial analysis by staff has determined there are multiple options within the Municipality that would satisfy this requirement. Further criteria to be considered include:

- Cost
- Economic Impact
- Accessibility
- Development Timeframe
- Neighbourhood Revival
- Alignment with Community Plans and Strategy

It is recommended that administration complete a site analysis and provide Council with a site recommendation for the new arena. Criteria and scoring will be defined with all results included in the Report to Council.
Contrary to the Parks and Recreation Master Plan recommendations, the incorporation of acreage within the site analysis to accommodate outdoor recreational amenities (fields, etc.) would only be included if directed by Council.

Unless impacted by the site selection, Memorial Arena and William K. Erickson Arena will remain operational until the new arena is built.

**Specifications**

The capital cost estimate for the Event Centre, including industry standard amenities, is $52 - $56 million. The estimate for the Community Facility is $25 - $29 million. Neither estimate includes site acquisition, site remediation, servicing costs, or revenues such as grants and donations.

Capital cost estimates will be influenced by variables such as amenity sizes, layout, quality of architectural finishes, and additional amenities requested such as walking track, fitness area, concessions, removable seats to accommodate concert stages, etc.

In order to expedite the project timeline, it is recommended staff define the specifications of the arena, concurrently with the site analysis. Arena specifications will be presented to Council.

**Operations**

Research indicates the annual net operations cost of event centres range from $400K - $1M. The large range is impacted by the number of events hosted, the number and type of anchor tenants, and the success of revenue centres such as concessions, seat licensing, box suites, advertisements, naming rights, box office fees, etc.

It is estimated the annual net operations cost for the Community Facility would be approximately $100,000. This net cost is comparable to the current combined operations cost of Memorial Arena and William K. Erickson Arena. It is also dependent upon the amenities and the success of the revenue centres.

**Financing**

A financing plan will need to be developed and presented to Council once the location details, size and amenities are known, and funding opportunities through senior levels of government are explored. While it is likely the facility will be primarily debt-financed, other sources to be explored include public-private partnerships, ticket surcharge/facility renewal fees, and other government grants.

**Economic Benefits**

Administration believes that the Municipality will directly benefit economically from the construction and operation of a new twin pad arena. The scope of these benefits will depend on a number of factors; most critically, the location, construction specifications,
and how it is positioned in the broader economic development strategy of Chatham-Kent.

Potential economic benefits may also arise indirectly from the arena. These include an increased capacity for sport and event hosting, increased visitor/tourism spending, and complementary investment and development from the private sector around the arena such as hotels, restaurants, residential properties, and retail facilities.

**Areas of Strategic Focus and Critical Success Factors**

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
  Chatham-Kent is an innovative and thriving community with a diversified economy

- A Healthy and Safe Community:
  Chatham-Kent is a healthy and safe community with sustainable population growth

- People and Culture:
  Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

- Environmental Sustainability:
  Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:
  The Corporation of the Municipality of Chatham-Kent is financially sustainable

- Open, Transparent and Effective Governance:
  The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

- Has the potential to support all areas of strategic focus & critical success factors

- Neutral issues (does not support negatively or positively)

**Consultation**

The Executive Management Team was consulted and provided direction on the report.
Financial Implications

There are no financial implications resulting from the recommendations.

Prepared by:

____________________________
Don Shropshire
Chief Administrative Officer

Attachments:

A – Twin Pad Arena Direct Comparison – 4,200 and 2,200 Seats

c. Executive Management Team

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